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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, December 21, 2001

JOINT PETITION OF

CASE NO. PUA010075

AT&T COMMUNICATIONS OF VIRGINIA, INC.

and

AT&T COMMUNICATIONS OF VIRGINIA, LLC

For approval of merger

ORDER GRANTING APPROVAL

On December 11, 2001, AT&T Communications of Virginia, Inc. (“AT&T-VA Inc.”), and AT&T Communications of Virginia, LLC (AT&T-VA LLC”), (collectively, “Joint Petitioners”) filed a joint petition with the Commission under the Utility Transfers Act for approval of a merger whereby the organizational form of AT&T-VA Inc. will be converted from a corporation to a limited liability company.¹

AT&T-VA Inc. was created as a result of the divestiture of the Bell operating companies in 1984 and has provided telecommunications services in Virginia since that time. AT&T-VA Inc. is certificated in Virginia to provide local exchange and

¹ Simultaneously, with the filing of this application, AT&T-VA LLC filed an application with the Commission for certificates of public convenience and necessity to provide both local and interexchange telecommunications services in Virginia.

interexchange telecommunications services.² AT&T-VA LLC is a limited liability company that was organized in Virginia on July 29, 1999.

AT&T Corp. (“AT&T”) is a New York corporation and the direct parent corporation of both AT&T-VA Inc. and AT&T-VA LLC. AT&T has provided telecommunications services for over a century.

AT&T-VA Inc. and AT&T-VA LLC propose a merger between the two entities with AT&T-VA LLC as the surviving entity. As a result of the merger, AT&T-VA LLC will then own all of the assets of AT&T-VA Inc. Once the merger has been consummated, the operations conducted by AT&T-VA Inc. will then be conducted by AT&T-VA LLC.

The Joint Petitioners represent that the proposed conversion to a limited liability company is being done pursuant to a company wide restructuring plan. In addition, the new form of entity will provide certain state tax benefits not currently available to AT&T-VA Inc.

The Joint Petitioners represent that the merger will not jeopardize or impair the provision of adequate service to the public at just and reasonable rates and that the new entity will remain a direct subsidiary of AT&T. The only change is the business form from a corporation to a limited liability company. AT&T-VA LLC will be run by the same management and personnel. The transaction will not change the financial condition, construction plans, or the financial backing that the Virginia entity receives from AT&T. AT&T-VA LLC will provide the same telecommunications services to

²AT&T Communications of Virginia, Inc., was issued Certificate No. TT-1G on January 1, 1984, for authority to provide interexchange telecommunications services and Certificate No. T-363 on June 28, 1996, for authority to provide local exchange telecommunications services in Virginia.

Virginia customers as currently provided by AT&T-VA Inc., and it will provide those services at the same price and terms as detailed in the tariffs of AT&T-VA Inc.

THE COMMISSION, upon consideration of the joint petition and representations of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AT&T Communications of Virginia, Inc., and AT&T Communications of Virginia, LLC, are hereby granted approval of the above-described merger.
- 2) There appearing nothing further to be done in this matter, it hereby is dismissed.